HOUSE BILL No. 1712

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3; IC 10-17-5-4.

Synopsis: Veterans benefits. Provides a deduction in computing the adjusted gross income of an individual or an individual's surviving spouse for all income received during the taxable year as compensation, retirement benefits, or survivor's benefits for the individual's service in an active or reserve component of the armed services of the United States. Provides for a payment of \$500 to each member of the national guard or of any reserve component of the national guard or the armed forces who is placed on involuntary activation for 150 days or more and served outside the state after September 10, 2001. Appropriates money to the department of veterans' affairs for the payments.

Effective: July 1, 2005; January 1, 2006.

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January 19, 2005, read first time and referred to Committee on Public Policy and Veterans Affairs.





First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in this style type. Also, the word NEW will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in this style type or this style type reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

HOUSE BILL No. 1712

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1	SECTION 1. IC 6-3-1-3.5 IS AMENDED TO READ AS
2	FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 3.5. When used
3	in this article, the term "adjusted gross income" shall mean the
4	following:
5	(a) In the case of all individuals, "adjusted gross income" (as

- (a) In the case of all individuals, "adjusted gross income" (as defined in Section 62 of the Internal Revenue Code), modified as follows:
 - (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
 - (2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.
 - (3) Subtract one thousand dollars (\$1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars (\$1,000).
- (4) Subtract one thousand dollars (\$1,000) for:



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1	(A) each of the exemptions provided by Section 151(c) of the
2	Internal Revenue Code;
3	(B) each additional amount allowable under Section 63(f) of
4	the Internal Revenue Code; and
5	(C) the spouse of the taxpayer if a separate return is made by
6	the taxpayer and if the spouse, for the calendar year in which
7	the taxable year of the taxpayer begins, has no gross income
8	and is not the dependent of another taxpayer.
9	(5) Subtract:
10	(A) one thousand five hundred dollars (\$1,500) for each of the
11	exemptions allowed under Section 151(c)(1)(B) of the Internal
12	Revenue Code for taxable years beginning after December 31,
13	1996; and
14	(B) five hundred dollars (\$500) for each additional amount
15	allowable under Section 63(f)(1) of the Internal Revenue Code
16	if the adjusted gross income of the taxpayer, or the taxpayer
17	and the taxpayer's spouse in the case of a joint return, is less
18	than forty thousand dollars (\$40,000).
19	This amount is in addition to the amount subtracted under
20	subdivision (4).
21	(6) Subtract an amount equal to the lesser of:
22	(A) that part of the individual's adjusted gross income (as
23	defined in Section 62 of the Internal Revenue Code) for that
24	taxable year that is subject to a tax that is imposed by a
25	political subdivision of another state and that is imposed on or
26	measured by income; or
27	(B) two thousand dollars (\$2,000).
28	(7) Add an amount equal to the total capital gain portion of a
29	lump sum distribution (as defined in Section 402(e)(4)(D) of the
30	Internal Revenue Code) if the lump sum distribution is received
31	by the individual during the taxable year and if the capital gain
32	portion of the distribution is taxed in the manner provided in
33	Section 402 of the Internal Revenue Code.
34	(8) Subtract any amounts included in federal adjusted gross
35	income under Section 111 of the Internal Revenue Code as a
36	recovery of items previously deducted as an itemized deduction
37	from adjusted gross income.
38	(9) Subtract any amounts included in federal adjusted gross
39	income under the Internal Revenue Code which amounts were
40	received by the individual as supplemental railroad retirement
41	annuities under 45 U.S.C. 231 and which are not deductible under
42	subdivision (1).



1	(10) Add an amount equal to the deduction allowed under Section
2	221 of the Internal Revenue Code for married couples filing joint
3	returns if the taxable year began before January 1, 1987.
4	(11) Add an amount equal to the interest excluded from federal
5	gross income by the individual for the taxable year under Section
6	128 of the Internal Revenue Code if the taxable year began before
7	January 1, 1985.
8	(12) Subtract an amount equal to the amount of federal Social
9	Security and Railroad Retirement benefits included in a taxpayer's
10	federal gross income by Section 86 of the Internal Revenue Code.
11	(13) In the case of a nonresident taxpayer or a resident taxpayer
12	residing in Indiana for a period of less than the taxpayer's entire
13	taxable year, the total amount of the deductions allowed pursuant
14	to subdivisions (3), (4), (5), and (6) shall be reduced to an amount
15	which bears the same ratio to the total as the taxpayer's income
16	taxable in Indiana bears to the taxpayer's total income.
17	(14) In the case of an individual who is a recipient of assistance
18	under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7,
19	subtract an amount equal to that portion of the individual's
20	adjusted gross income with respect to which the individual is not
21	allowed under federal law to retain an amount to pay state and
22	local income taxes.
23	(15) In the case of an eligible individual, subtract the amount of
24	a Holocaust victim's settlement payment included in the
25	individual's federal adjusted gross income.
26	(16) For taxable years beginning after December 31, 1999,
27	subtract an amount equal to the portion of any premiums paid
28	during the taxable year by the taxpayer for a qualified long term
29	care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the
30	taxpayer's spouse, or both.
31	(17) Subtract an amount equal to the lesser of:
32	(A) for a taxable year:
33	(i) including any part of 2004, the amount determined under
34	subsection (f); and
35	(ii) beginning after December 31, 2004, two thousand five
36	hundred dollars (\$2,500); or
37	(B) the amount of property taxes that are paid during the
38	taxable year in Indiana by the individual on the individual's
39	principal place of residence.
40	(18) Subtract an amount equal to the amount of a September 11
41	terrorist attack settlement payment included in the individual's
42	federal adjusted gross income.



(21) Subtract an amount equal to any deduction for which the individual is eligible under IC 6-3-2. (b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows: (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States. (2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code. (3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States. (4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code. (5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service. (6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code. (c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:			
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(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code. (3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States. (4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code. (5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service. (6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code. (c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:	17	•	
or allowable pursuant to Section 170 of the Internal Revenue Code. (3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States. (4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code. (5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service. (6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code. (c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:	18	•	
Code. (3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States. (4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code. (5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service. (6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code. (c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:	19	or allowable pursuant to Section 170 of the Internal Revenue	
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(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code. (5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service. (6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code. (c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:	24		
26 corporation's taxable income under Section 78 of the Internal 27 Revenue Code. 28 (5) Add or subtract the amount necessary to make the adjusted 29 gross income of any taxpayer that owns property for which bonus 30 depreciation was allowed in the current taxable year or in an 31 earlier taxable year equal to the amount of adjusted gross income 32 that would have been computed had an election not been made 33 under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to 34 apply bonus depreciation to the property in the year that it was 35 placed in service. 36 (6) Add an amount equal to any deduction allowed under Section 37 172 of the Internal Revenue Code. 38 (c) In the case of life insurance companies (as defined in Section 39 816(a) of the Internal Revenue Code) that are organized under Indiana 40 law, the same as "life insurance company taxable income" (as defined 41 in Section 801 of the Internal Revenue Code), adjusted as follows:	25		
Revenue Code. (5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service. (6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code. (c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:	26		
gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service. (6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code. (c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:	27		
gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service. (6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code. (c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:	28	(5) Add or subtract the amount necessary to make the adjusted	
depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service. (6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code. (c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:	29		
earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service. (6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code. (c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:	30		
that would have been computed had an election not been made under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service. (6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code. (c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:	31		
under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service. (6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code. (c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:	32	· · ·	
apply bonus depreciation to the property in the year that it was placed in service. (6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code. (c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:	33		
placed in service. (6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code. (c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:	34		
(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code. (c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:	35		
172 of the Internal Revenue Code. (c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:	36	•	
(c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:	37	· · · · · · · · · · · · · · · · · · ·	
816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:	38	(c) In the case of life insurance companies (as defined in Section	
law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:	39	• • • • • • • • • • • • • • • • • • • •	
in Section 801 of the Internal Revenue Code), adjusted as follows:	40		
· · · · · · · · · · · · · · · · · · ·	41	- · ·	
- \-\-\-\-\-\-\-\-\-\-\-\-\-\-\-\-\-\-\	42	(1) Subtract income that is exempt from taxation under this article	



1	by the Constitution and statutes of the United States.
2	(2) Add an amount equal to any deduction allowed or allowable
3	under Section 170 of the Internal Revenue Code.
4	(3) Add an amount equal to a deduction allowed or allowable
5	under Section 805 or Section 831(c) of the Internal Revenue Code
6	for taxes based on or measured by income and levied at the state
7	level by any state.
8	(4) Subtract an amount equal to the amount included in the
9	company's taxable income under Section 78 of the Internal
10	Revenue Code.
11	(5) Add or subtract the amount necessary to make the adjusted
12	gross income of any taxpayer that owns property for which bonus
13	depreciation was allowed in the current taxable year or in an
14	earlier taxable year equal to the amount of adjusted gross income
15	that would have been computed had an election not been made
16	under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to
17	apply bonus depreciation to the property in the year that it was
18	placed in service.
19	(6) Add an amount equal to any deduction allowed under Section
20	172 or Section 810 of the Internal Revenue Code.
21	(d) In the case of insurance companies subject to tax under Section
22	831 of the Internal Revenue Code and organized under Indiana law, the
23	same as "taxable income" (as defined in Section 832 of the Internal
24	Revenue Code), adjusted as follows:
25	(1) Subtract income that is exempt from taxation under this article
26	by the Constitution and statutes of the United States.
27	(2) Add an amount equal to any deduction allowed or allowable
28	under Section 170 of the Internal Revenue Code.
29	(3) Add an amount equal to a deduction allowed or allowable
30	under Section 805 or Section 831(c) of the Internal Revenue Code
31	for taxes based on or measured by income and levied at the state
32	level by any state.
33	(4) Subtract an amount equal to the amount included in the
34	company's taxable income under Section 78 of the Internal
35	Revenue Code.
36	(5) Add or subtract the amount necessary to make the adjusted
37	gross income of any taxpayer that owns property for which bonus
38	depreciation was allowed in the current taxable year or in an
39	earlier taxable year equal to the amount of adjusted gross income
40	that would have been computed had an election not been made
41	under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to
42	apply bonus depreciation to the property in the year that it was



1	placed in service.
2	(6) Add an amount equal to any deduction allowed under Section
3	172 of the Internal Revenue Code.
4	(e) In the case of trusts and estates, "taxable income" (as defined for
5	trusts and estates in Section 641(b) of the Internal Revenue Code)
6	adjusted as follows:
7	(1) Subtract income that is exempt from taxation under this article
8	by the Constitution and statutes of the United States.
9	(2) Subtract an amount equal to the amount of a September 11
10	terrorist attack settlement payment included in the federal
11	adjusted gross income of the estate of a victim of the September
12	11 terrorist attack or a trust to the extent the trust benefits a victim
13	of the September 11 terrorist attack.
14	(3) Add or subtract the amount necessary to make the adjusted
15	gross income of any taxpayer that owns property for which bonus
16	depreciation was allowed in the current taxable year or in an
17	earlier taxable year equal to the amount of adjusted gross income
18	that would have been computed had an election not been made
19	under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to
20	apply bonus depreciation to the property in the year that it was
21	placed in service.
22	(4) Add an amount equal to any deduction allowed under Section
23	172 of the Internal Revenue Code.
24	(f) This subsection applies only to the extent that an individual paid
25	property taxes in 2004 that were imposed for the March 1, 2002,
26	assessment date or the January 15, 2003, assessment date. The
27	maximum amount of the deduction under subsection (a)(17) is equal
28	to the amount determined under STEP FIVE of the following formula:
29	STEP ONE: Determine the amount of property taxes that the
30	taxpayer paid after December 31, 2003, in the taxable year for
31	property taxes imposed for the March 1, 2002, assessment date
32	and the January 15, 2003, assessment date.
33	STEP TWO: Determine the amount of property taxes that the
34	taxpayer paid in the taxable year for the March 1, 2003,
35	assessment date and the January 15, 2004, assessment date.
36	STEP THREE: Determine the result of the STEP ONE amount
37	divided by the STEP TWO amount.
38	STEP FOUR: Multiply the STEP THREE amount by two
39	thousand five hundred dollars (\$2,500).
40	STEP FIVE: Determine the sum of the STEP THREE amount and
41	two thousand five hundred dollars (\$2,500).
42	SECTION 2. IC 6-3-2-4 IS AMENDED TO READ AS FOLLOWS



1	[EFFECTIVE JANUARY 1, 2006]: Sec. 4. Each taxable year, an
2	individual or the individual's surviving spouse is entitled to an a
3	deduction in computing adjusted gross income tax deduction for the
4	first two thousand dollars (\$2,000) of income, including retirement or
5	survivor's benefits and amounts received under IC 10-17-5-4,
6	received during the taxable year by the individual or the individual's
7	surviving spouse for the individual's service in an active or reserve
8	component of the armed forces of the United States, including the
9	army, navy, air force, coast guard, marine corps, merchant marine,
10	Indiana army national guard, or Indiana air national guard. However,
11	a person who is less than sixty (60) years of age on the last day of the
12	person's taxable year is not, for that taxable year, entitled to a deduction
13	under this section for retirement or survivor's benefits.
14	SECTION 3. IC 10-17-5-4 IS ADDED TO THE INDIANA CODE
15	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
16	1, 2005]: Sec. 4. (a) A member of the Indiana National Guard or a
17	member of any reserve component of the Indiana National Guard
18	or the armed forces who:
19	(1) is a resident of Indiana;
20	(2) is placed on involuntary activation after September 10,
21	2001; and
22	(3) serves for one hundred fifty (150) days in a period of three
23	hundred sixty-five (365) days outside Indiana;
24	is entitled to receive five hundred dollars (\$500) at the end of the
25	period of involuntary activation to assist in covering expenses
26	incurred because of the involuntary activation.
27	(b) The department shall adopt rules under IC 4-22-2 to provide
28	for the prompt payment of the money to which a member of the
29	Indiana National Guard or any reserve component of the Indiana
30	National Guard or the armed forces is entitled under subsection
31	(a).
32	(c) There is annually appropriated to the department an amount



2005

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SECTION 4. [EFFECTIVE JANUARY 1, 2006] IC 6-3-1-3.5 and IC 6-3-2-4, as amended by this act, apply only to taxable years that begin after December 31, 2005.

sufficient from the state general fund to make the payments

required under this section.

